

THE CHANGES IN SOCIAL OWNERSHIP

I. SÁRÁNDI

Department of Civil Law, University Eötvös Loránd, Budapest

Received: 30.3.1970.

CHAPTER I.

THE CLASSICAL SYSTEM AND THEORY OF SOCIAL OWNERSHIP

1. Development of social ownership in the socialist society.
2. The economic justification of nationalisation — unnecessary nationalisations.
3. The insignificant role of economic automatisms.
4. Is state ownership of the means of production necessary in order that social production be in the interest of the people?
5. Summary.

1. At the VIIth Party Congress in November 1918, Lenin defined the fundamental organisational task of the relation between a socialist economy and society, saying that the entire machinery of state economy must be transformed *into a single gigantic machine*, and this machine should work in such a way that hundreds of millions of people are directed by a single plan.¹ When Lenin was setting this aim, he envisaged a machinery that would persist during the entire era of socialism. Lenin's conception stated the people's economic plan as the principal facet of the relation economy and society. The setting of this aim is the principal thesis relating to the fundamental conception of the development of the entire socialist economy, to the correlation between society and economy. In Lenin's notion the emphasis rests on the *plan*, on a plan which moves the entire people's economy, all its units, into one direction, mobilises them for realising the economic tasks that face society. Socialism cannot exist without a central plan, and consequently — as is indicated by progress to date at least — it cannot exist *without an organisation* which:

- a) carries out the direction of economic tasks on the national-economic level,
- b) ensures a planned, co-ordinated course of development of the people's economy as a whole,
- c) sees that surplus product be used in accordance with public interest
- d) ensures that those participating in productive and other activities important for society — economic organisations and individual producers personally — be interested in the activities they display, without individuals or their groups being permitted to appropriate the results of the work of others.

To put it shorter, all this means that a socialist economy — no matter within what framework the economic activities take place — must be organised *also on the social level*, including both *production* and *appropriation*. Yet history teaches us that to organise an economy on the social level is not a sufficient way of organising economic activities, because this is completed by the self-movement of certain economic nodal points for organising productive work of their own or of others (enterprises, co-operatives, trusts, associations, etc.).

The economy of countries which have started on the way of building a socialist society was characterised by the fact — with great differences by countries and also by certain economic branches — that the *concentration of production* and the *centralisation of capital* have been realised to a considerable extent. "From the series of certain operations, production has become a series of social operations, and the products of individuals have become social product. Yarn, cloth, metalware which are now turned out by the factories were the joint products of many workers, for they had to pass through many a worker's hands until they were finished. Not one worker could have said: it is me that has made this, this is my product, because social production emerged in addition to individual production", writes Engels in *Anti-Dühring*.²

When production becomes a social activity on various levels, the organisation of both production and appropriation must be solved on these levels; at the same time, all types of production — because in certain relations all kinds of non-natural production are also of an all-social character — must be organised on the all-social level, too, in the circumstances of socialism, irrespective of intermediate solutions that may exist on whatever level, by the placement of proprietary rights on various levels (ownership of the people collectively, of groups, of private persons for some time). What kind of organisation is fit for organising production and appropriation on the social level?

a) Such an organisation must certainly be one which exercises the right of disposal over a considerable portion of social accumulation.

b) which has enough authority to enforce its will which is destined to express the interests of society as a whole.

To build up such an organisation would certainly have been less difficult if the proletarian revolutions had been victorious in the circumstances envisaged by Marx and Engels. Marx and Engels had placed the revolution of the proletariat in an environment where and when:

1. The whole world was *ripe for revolution*, and the latter would have emerged as a *world revolution*. In such a situation, after a prompt crushing the power of the resisting bourgeoisie, revolutionary élan can rapidly grow into a high measure of socialist consciousness, and it is usually possible without using force — or at least possible without using a separate organ of coercion — to organise society for *social* tasks. Such a situation excludes the existence of a capitalist environment, holds out the possibilities of a soundly proportionate development of the people's, or perhaps the world's economy, and there is no need for evading ten or hundred times the fundamental rules, following from the given circumstances of society, precisely in order to protect a socialist-communist society.

As a further prerequisite the classics have defined a situation in which *production has become social to such an extent*, the forces of production have

been concentrated on such a level, that their organisation and social appropriation on the basis of production socialised on a high level can be directed in their entirety by a single organisation, and appropriation can become directly social. They believed that given a very high concentration of production in every branch, or at least in the most important branches of the people's economy, the economy as a whole could be directed and controlled as one single plant, one single factory. Labour would be manifest as the direct work of society, and to satisfy oneself of its social usefulness would be possible not only by comparing it to other work. They held it possible that in such circumstances an organisation — established by society — would be able with the widest co-operation of the employed population to exercise *full control in every direction* over the economic activities of the whole of society.

Yet the proletarian revolutions did not break out all over the world at the same time. Of several ruling working-classes, assuming power over society for a while, it was only one, the Soviet proletariat, that was able to stay in power long enough to start the building of socialism in fact. The circumstance that the proletariat's power was victorious in one country only, inevitably delayed the crushing of the bourgeoisie's resistance, prevented revolutionary élan from going over without any break into high socialist consciousness; for preserving the independence of the state, the proletariat's power, the forces of economy had to be devoted to tasks for a long time, which would not have been present if there had been a world-wide victory of the revolution.

Also the state of production concentration differed from the circumstances envisaged by Marx and Engels. The victory of the revolution in Russia, and later on also in the democratic countries was confronted with economic systems whose concentration was far below the one existing in highly developed western countries taken as the norm by Marx and Engels; where even in the industries, or their majority at least — let alone agriculture — the conditions of a *single-centre direction* envisaged by the classics were less given.³

In a considerable part of the industries, production was going on in thousands of small work-shops: the spinning wheel, the hand loom, the blacksmith's hammer — these medieval, small, limited tools were just as important means of production as centuries before. Big estates only concentrated the ownership of land, but their equipment consisted of primitive implements for the most part. Production actually consisted in the mass utilisation of small-peasant methods of production on one big estate, and machines or modern methods of production were hardly introduced, or not at all. For political reasons the revolutions split up these big estates, and small productive units became general practice in agriculture as a result.⁴

It was just therefore that vigorous debates arose in the Soviet Union in the 20s about:

- a) whether such central control can possibly be established, and
- b) in what sphere that organisation is to be found which in the interest of a planned economy can carry out the organisation on the social level of all kinds of production, ensuring at the same time social appropriation. It was voiced in these debates that such an organisation could be *some kind of trade union centre*; in other views it should have been some *other comprehensive social organisation*. In these debates the *state* was mentioned as possessing executive power, embodying the political power of society, and as an organisation fit for

such tasks. *Finally the choice fell upon the state,⁵ not at all by chance in given circumstances.*

Owing to its supreme power, the state was a body embracing the whole of society, had at its disposal the best developed machinery which could be made suitable for solving also economic tasks without any substantial reorganisation. It had an organisation suited for the centralisation of a portion of the incomes, for collecting a definite part of incomes from the producers. It seemed that the state was fit for directing economy as a whole, that also the organisation of distribution could be realised through the state; and, last but not least, the choice fell on the state because it has an adequate *organ of coercion* to enforce its will against anybody in the field of organising production on the social level, and in the field of organising appropriation.⁶

It was in this way that the socialist state became the organiser of social production and appropriation; and this was effected in such a manner that the state reserved itself *the ownership* of the means of production considered to be fundamental, appropriated also in the legal sense these means, being the supreme economic power, and was able to ensure in other fields of production that productive activities were carried out in accordance with comprehensive national-economic plans, that part of the incomes produced there became all-social income. Hence the state became the *owner as the supreme power, or, more exactly, became the owner because it was the supreme power.*

Two questions may be raised:

a) why did the state become the owner in certain fields, the owner of the means of production first of all, why was it not enough to make the state avail itself of the various possibilities of its power to direct as a non-owner economic activities based on the property of non-exploiting collectives?

b) Why was the state not made owner of all means of production? Why was it considered sufficient that the state should direct and influence certain spheres of production without being the owner in these spheres? In other words: why did the state only endeavour to effect central direction of production in certain fields, why did not all means of production become state property?

2. The degree of the socialisation of production also determines the *social level of appropriation*. Looked at from another angle, a high-level direction of production is possible with the required efficiency only on an adequate level of socialisation. History shows that at the time of establishing the system of socialist ownership, there always have been, in every country, fields of production, entire branches of the people's economy, where the degree of the socialisation of production was very low, e. g. in the bulk of agricultural production. The circumstance that the socialisation of production was low in a given branch of production at the time of the victory of socialism does not in itself make impossible to raise ownership to a higher level than the given level of production socialisation, if we make efforts to create a sufficient concentration of production, because this is necessary and possible in the given period. Yet such concentration, at least at a rapid pace, is extremely costly. In the socialist countries victorious so far, the productive forces of agriculture were practically not socialised at all; moreover, it was exactly the victorious proletarian revolutions that made efforts — as has been mentioned — at a deconcentration of existing concentration. (The Hungarian Soviet Republic, for

instance, tried to maintain the existing concentration in agriculture, even to socialise agricultural production on a broader basis, but — as is known — her efforts failed.) It is just therefore that state ownership was realised in the industrial field first, where the concentration of production was more intense, or where the creation of a higher level of concentration became soon, and imperiously, a matter of necessity. Concentration was usually high in the field of *heavy industry*, in the field of *mining*, *energy production* and *transports* serving heavy industry; thus nationalisation first began here, as well as in respect to the postal and *telegraphic* services.⁷ In other branches, though the socialisation of production was not of a high degree in the given situation (e. g. in the light industry, food industry, trade), there was possibility for a rapid concentration. The high-level organisation of appropriation, which was legally manifest in the form of *social ownership* on a high level, represented an attractive force in a certain sense, even if not for raising the socialisation of production to such a high degree as the one on which ownership manifested itself (this gave rise to serious difficulties in some cases later on).⁸ Hence the creation of social ownership of the highest level, i. e. state ownership, became possible in the industrial field because:

a) the degree of socialisation of production made possible, even necessary, the centralised combination of production and appropriation in certain industrial branches,

b) it was believed that in the fields where the concentration of production was not of such a high level, desirable progress could be attained by nationalisation taking place also here. In other branches of production the aforesaid high level of ownership was not realized because the lack, or extremely low degree, of socialisation did not make it possible, and the concentration of production in these branches did not seem to be a matter of great urgency.⁹

As concerns the circumstance that, essentially, industry as a whole, and even certain means of production outside the industries in some socialist countries, went over into state ownership, the question presented itself whether it was necessary to organise appropriation with legal means in such a way that the element of appropriation within proprietary rights should be manifest in the form of a socialist ownership of the state in those fields where the forces of production have reached a certain level of socialisation — but not yet the all-social level — or efforts have been made to reach a certain level. Doubtless, the all-social facet is to be found in every productive activity. A portion of incomes is collected by the state in every case to exert influence on various economic units with its help — ranging from individual producers to collectives — and in order that, having hold of these incomes, it should be able to promote by economic influencing, manifest also as legal means of this or that form, their working in the direction of *one target*. But it is not indifferent in respect to determining the level of ownership in what quality and quantity the social character is present. I believe that at the time of the great waves of nationalisation the social facet actually existing for the most part in any productive activity was exaggerated quantitatively, and overemphasized qualitatively without good reason, and that no sufficient attention was paid at the determination of the ownership level whether the given productive activity is mature enough as a whole for organising appropriation in the form of state ownership. We may add that in deciding on nationalisation the start was

usually made from the whole of a given economic branch, irrespective of whether production going on in that branch was mature for nationalisation as a whole. Only the all-social elements of production were emphasized, and the level of ownership was determined by giving prominence to the all-social element. Although between the two extremes: the levels of individual and all-social production, there may be intermediate degrees. There are branches, such as the heavy industry, or energy production at the peak, etc. which are mature for state ownership of the highest level right away; but in other branches, and in the sphere of certain activities within branches, there are nodal points between individual and all-social production which must be taken into account at the legal regulation of ownership. Intermediate degrees emerge between degrees of all-social and individual interests. It is true in the course of production getting socialised that not one worker can possibly say that this product is *my* product; it is equally true that, in the last analysis and in respect to various products, all-social labour is present in highly different ways and quantities. So it admits of no doubt that the all-social character is manifest in every product; but there are production processes in the course of which a collective can state certainly, and in conformity with facts, that this product is *our* product, when the individual and all-social nature is pushed in the background, the collective comes to the fore, and the regulation of appropriation can be realized at these points *also on the level of ownership*.

Otherwise these points of view were largely taken into account in the course of later development when the legal regulation of kolkhoz and co-operative farm ownership was framed. The group-ownership of co-operatives is based precisely on the circumstance that proprietary legal regulation is centred on the *collective*, although it can hardly be questioned that the result of all-social work is present in the sphere of co-operative ownership (e.g. in the form of state subsidies); all-social appropriation follows from this, too, and it is equally true that individual activity plays a role in the activity of the collective. But the principal point of emphasis is the collective all the same, and it can and must be ensured that it has disposal as owner of the means of production which are required for producing the finished product of the collective with which it *can appear on the market*. This means that it must have the rights of possession, use and disposal of the means of production and the results of production, as well as the owner's administrative rights that serve these in organisational ways.

Yet at the time when the socialist ownership of the state emerged, and quite a long time after, the recognition of the proprietorship of certain economic units *was not given sufficient attention*. Later on, when the co-operatives of productive character emerged en masse, the legal system recognised their proprietorship, but they were regarded as owners only in respect to the results of production, and not in respect to the basic means of production i.e. land. For a longer time it was held that the law of value is not valid in a socialist economy, that goods relations only exist in certain fields of the socialist economy, and only because of group ownership. And that they only exist as foreign elements in socialism, as a result of which the role of market and money was disclaimed in the circumstances of socialism; obviously, this has led to the negation of the detached interests of economic *automatists*, moreover to the negation of their proprietary interests in many

cases. And even if this detached interest was recognised on the proprietary level in respect to kolkhozes or co-operative farms, remarks were added that group ownership is "not consistently socialist", that group ownership is an "inferior form" of socialist ownership, the direct consequence of which were endeavours at limiting the scope of group ownership.

3. The direction by the state of enterprises organized as independent juristic persons operating means of production in state ownership, also showed peculiar features. In this respect a view established itself, or survived from older Marxism, according to which a people's economy, or its part owned by the state at least, can be managed *as one single enterprise*. State ownership was interpreted in a way that the uniformity and indivisibility of the proprietorship of the state is to mean that despite the apparent (but real on the legal level) detachedness of enterprises, the state, or central state agencies, can exercise any partial rights of ownership *at any time, without any conditions and restrictions (self-restrictions)*. Thus the system of so-called direct control as a concept does not express exactly the relationship of the state to the means of production owned by it, or to the enterprises, or enterprise collectives. This concept is only able to express that it was possible to direct enterprises through instructions, although the situation was different in reality; namely the possibility to give instructions was only a consequence of the view according to which interests to be taken into account by the state as the owner, and being different from the all-social interests, simply do not exist. Hence the state, being confident that the protection of any kind of interest can be condensed into the sphere of state interests, reserved all proprietary rights to itself, and, what is more, it did so directly in relation to the means of production (withdrawal, regrouping of the enterprises' means of production). And if an enterprise was given instructions, this was not limited by any rights that issued from specific enterprisal interest.

4. In our deliberations made so far we always started from the conventional and commonly accepted system of views according to which production going on with productive forces that have assumed a social character on a given level is only possible on the basis of state ownership. We now raise the question whether the state must necessarily become the owner of the fundamental means of production in order that it be able to direct social production on the basis of a central plan. It is therefore necessary to investigate as an ultimate problem whether state ownership is absolutely necessary for organising production on the society level.

In the developmental phases of human societies going towards socialism, historical experience has proved that the means of production, and the results of production, can be utilised to the advantage of those who are the owners of the means of production. This gave prominence to the notion that the results of production can only be put to use *in the owner's interest*. Consequently, if we are to utilise the results of production in the interest of society as a whole, then — according to this view — everybody in whose interest we wish to ensure the direction of production and the appropriation of the results of production, must be made owner of the means of production. If the state wishes to direct production in the interest of the whole of the people — so the classical theory says — the state must be made the legal owner of part of the means of production at least, and of the fundamental means of production, that is;

and through the medium of the state, all those must be made owners, too, in whose interest the state's economic directive activity is being realised, and who share appropriation through this intermedium. And since any ruling class of the past was usually able to rule over the other strata of society because it was the owner of the means of production, and appropriated the results of production, it was believed that in the circumstances of socialism the working class must become the economically most powerful proprietary class, because it is economic power that supports the political power of the working class. Some hold that *it is this* proprietorship that forms the economic basis of the socialist state's political power.

These experiences were inferred in a mechanistic manner from mankind's history preceding socialism. Property, or ownership, which had played a dominant role, and determined in whose interest the results of production were to be utilised, or which class was to exercise political power, was assigned the same role as before. Yet it is equally conceivable that the socialist state need not necessarily acquire the ownership of the means of production in order to be able to control the national economy; a system of collection of accumulation must be framed on the basis of which the state, relying economically on the collected financial means, can direct the people's economy in which the owners of certain parts of the means of production are also legally, and in general, *collectives that realise the conditions free from exploitation within their own spheres*. And that state appropriation does not depend on proprietorship has been proved by history because the socialist state has accumulated incomes also from those sectors in whose respect state proprietorship did not exist, and did so even in circumstances when its economic power was insignificant.

As concerns the question of political power, the latter is exercised by the working class not on the basis of their economic power, but on the basis of their political potential. Doubtless, also economic power is needed for exercising political power, but this economic power is ensured by any and all forms of social ownership free from exploitation (i.e. not only by socialist state ownership).

From all this we may conclude that the concept according to which state control of the economy must by all means be based on state ownership of the fundamental instruments of production, arose from a certain *superstitious exaggeration of the importance of ownership*, of proprietary and social conditions discredited by history, and of the proprietary rights expressing these conditions.

The *classical* scheme of the socialist ownership system, still generally asserting itself in a number of socialist countries, can be characterised as a summary of what we have said as follows:

5. a) The owner of the *fundamental* means of production is the state. The state endeavours to become the owner of the *bulk* of these means. The principal objects of state socialist ownership are the means of production. State property is realised first of all in the sphere of industrial activities interpreted in a broader sense, usually irrespective of how high the degree of the socialisation of productive forces is in given branches, and irrespective of whether the socialisation level of all activities within a branch reaches the level required for state ownership or not.

b) Within this classical system of ownership, the state imposes no restriction whatever on itself in the sphere of proprietary rights; it does not

recognise enterprise interests as individual ones, standing between personal and all-social interests; and it reserves itself the right as the owner of the means of production to do anything it pleases with the means of production which are dominated by it on the basis of proprietary rights.

c) For the groups of means of production which are not exclusive property of the state — these are, in the last analysis, the second set of these means, and an insignificant portion of the agricultural co-operatives — socialist group ownership is realised in the form of co-operative ownership; but this is considered not to be consistently socialistic, to be an inferior form, and the consequence is that in practice this type of group ownership is subjected to considerable restrictions.

CHAPTER II.

THE JUGOSLAV CONCEPT OF SOCIAL OWNERSHIP

6. The essence of the Yugoslav ownership theory.

7. The relationships between the state, local state organs, and economic units.

8. Summary.

6. The *Jugoslav conception* differs substantially from this traditional scheme of the socialist ownership system.¹⁰ The Yugoslav theoreticians admit the necessity and existence of *social ownership* within Yugoslavia's economy. Yet this admission does not amount to recognition in the legal sense. According to the view of the Yugoslav scholars, social ownership, as a proprietary right, does not at all manifest itself as a uniform subjective right. No distinction is made between state and co-operative property, because — as they say — social property has no such single owner as the state or a co-operative; quite the contrary, since social property forms property of the society as a whole, no single owner exists in the legal sense within the sphere of social property. This view is actually a negation of the manifestation of property in the sense of *the right of ownership*. Considering, however, that social property must be afforded protection (somebody is compelled to request protection; the title is in need of protection against somebody in the interest of somebody, social property assumes the character of merchandise, hence the subjects of commodity exchange must be defined; responsibility is attached to production and economic activity; the objects of social ownership are used and utilised by separate work organisations), various approaches are being made in literature to find the different subjects partially entitled to this non-uniform subjective right of ownership. According to some views, social ownership has not one, *but several entitled subjects*. In the last analysis, anybody who shares appropriation of incomes, or takes part in their *production*, or is *active* with means that form social property and are in his *management*, is qualified to be some kind of entitled subject. As a consequence, the subjects entitled to social property include social enterprises, state and social organs, non-economic socialist organisations. This kind of property is called in the literature *fragmented property*. According to fragmentation, the contents of ownership are illustrated by several types of title. Rights of property, rights under public law, rights

defined by political law, are mentioned in the sphere of ownership; rights of property are regarded as the private-law component of social ownership, rights under public law and constitutional rights as the public-law component of social ownership.

As concerns the planned direction of production, the necessity of a *state plan* is disclaimed in the Yugoslav view; socialist state planning is looked at with criticism, by making reference especially to its bureaucratic nature (there is some truth in this), but the *necessity of planning in general* is not negated.

7. Many believe in Hungary, and also in other socialist countries, that since in Yugoslavia there is no such central, co-ordinating, planning organ (e.g. a state organisation that controls the most general national-economic processes, or prepares plans broken down to enterprises) as we have it, or as exists in other socialist countries, all-social planning is altogether nonexistent, or that all-social planning only consists in the collection of the plans of the various collectives. Yet this is not so. Doubtless, the plan of the producing collectives seems to be of primary importance. But however much our Yugoslav friends are against state planning, the state-political organisations play an important role in the preparation of the so-called social plans of Yugoslavia and the republics; I even venture to say that the voice of local organs in the life of various enterprises is heard more powerfully than was the case in Hungary some time ago (and by no means in such a bureaucratic form as was usual here). But the plan on whose basis the entire people's economy develops is, according to the Yugoslav doctrine, not a state plan in the last analysis, but a *social plan*.

Summing up the substance of the Yugoslav conception, we may point out the following features:

8. *a)* A novel conception of social ownership has developed in Yugoslavia. They do not recognise differences between state and other social ownership forms. Social ownership is manifest in one single form. Social ownership has no single subject, and the situation is interpreted either as everybody being the owner, *without proprietary rights*, of the socially owned means of production, provided that he shares the appropriation of incomes produced by such means; or it is maintained that social ownership legally only exists in partial titles, whereby the subjects are carriers of these partial titles.

b) Planning is considered necessary. But planning — even as concerns the most comprehensive plans — is not a function of the state, but the plan is called a social plan. Various working organisations, socio-political communities take part in shaping the social plan, and a considerable measure of state influence asserts itself, too. The various working organisations display their activities with seemingly complete independence; yet in practice we experience a vigorous influence of political communities of various levels on the activities of the economic units.

c) In my humble opinion, neither the classical socialist, nor the original Yugoslav socialist version of the ownership system have reached the optimal solution. For the classical socialist conception of ownership exaggerates, or at least is liable to exaggerate, the all-social aspects of production; and the Yugoslav construction in reality attaches the decisive role to automatisms — even in contradiction to certain theoretical theses — whereby the all-social

character of social production is getting lost, or at least the system involves the risk that the all-social nature may get lost in given cases.

It may be concluded from what we have exposed so far that at present there are *two socialist conceptions* of social ownership, at least so far as can be concluded from available literature and from information gathered through other contacts.

The first change in respect to social ownership is manifest exactly in this duality, which appears, against one-time uniformness, both in practice and theory.

CHAPTER III.

CHANGES IN THE CLASSICAL MODEL

9. Novel features in the relationship between the state and state-owned enterprises.

10. The sphere of objects of co-operative socialist ownership is ceaselessly expanding.

11. Co-operative ownership is suitable for a high-level concentration of production, for a high-degree socialisation of productive forces, for expressing concentration and the high degree of socialisation.

9. In the following we shall investigate what changes have taken place in the sphere of social ownership developed on the basis of the first conception. To date, we are confronted with changes which *do not affect the fundamental conception*. It is another matter that from the changes so far we may perhaps identify an alteration of certain partial principles, while the fundamental conception is maintained. It is yet another matter that these changes, although not yet manifest in a legal form, provide the possibility to draw the outlines of a new conception of social ownership for the future.

These changes have been brought about, first of all, by novel economic realizations. Of these I should like to mention but the most important ones. It has been realized that the existence of *merchandise relations* is a natural concomitant of the socialist economy. Accordingly, a wider field must be ensured to monetary and market relations for asserting themselves. In order that market impulses make felt their effect on production, we must find those organisational units which are fit for appearing on the market independently, and are also fit for being affected by market impulses. It has been realized that there exist such units on the various levels of social production, i.e. the enterprises with interests of their own; and in order to make them appear on the market, the collectives incorporated in them had to be made interested in such activities. In respect to the relationship between the state and economic automatisms, this has led to the conclusion that the people's economy cannot, and as a matter of fact, need not be *directed like a single industrial unit*.

It has been learned that these automatisms, as the selfregulators of partial processes, save the centre the trouble of following every vibration of economic life; that they make it possible for the centre to concentrate forces on problems of really national-economic scope, to develop and select the best variants, and to work out the operating principles of central and automatic regulators. Automatic regulators provide the possibility to transfer central decisions to the

aggregate process in such a way that this does not involve a ceaseless interference with enterprise management, and with the inherent rules of the many-sided economic relations; it therefore does not inhibit the positive initiatives of individuals, collectives, local leaders; it rather offers a larger scope for unfolding their spontaneous activities, independent economic thinking, creative powers, and their responsibility for rationalisation.

It is exactly through these automatisms that separate socialist group interests get access to the form of free movement that fits them, in which they can express themselves adequately, in which they can get together, can coordinate themselves through mutual check-ups; and these automatisms will provide them with the scope in which their relatively independent actions can realize. The recognition of this role of economic automatisms has moved state economic leadership to devote great attention to them, irrespective of the economic field they appear in, i. e. irrespective of whether enterprises operating within the sphere of state socialist ownership, or co-operatives, are involved. In order to promote their self-expression, their getting confronted with one another, interference with the self-movement of automatisms has been restricted; it was attempted to make them fit for appearing on the market independently, and to make also their collectives interested in such appearance. Yet in order that the control and direction of economic activities should be preserved on the all-social level, direct orders (of which not the form, but their entering into the self-movement of automatisms is what matters) were replaced by automatisms, and the economic units were placed in an environment whose principal characteristic is that the state, not being identical with the enterprises, influences them with economic means of its own.

The changes in the relationship of state and enterprise, manifest also on the level of legal regulation, may be summed up as the state having given up to interfere with the spontaneous activities of economic units. This means that although the state reserves proprietary rights to the enterprises' state-owned assets, it has waived the right *to exercise proprietorship at any time, in any way, in connection with the enterprises' means of production and the results of production.* Provisions of law give definite outlines of the spheres of authority, of the tasks of supervisory and branch organs, of the legal forms of procedures, and ensure thereby the uncurtailed exercise of rights due to enterprises.

10. Substantial changes have taken place in the sphere of production co-operative ownership, primarily in the ownership of agricultural production co-operatives. The changes here have started even more far back than in the industries. Already the agrarian-political theses of the Hungarian Socialist Workers' Party have stated that to direct co-operatives by *administrative* measures is not permissible. But in practice it was not possible to enforce this fundamental principle consistently. This can be realized only with the change-over to the new economic system, and it would seem to me that this is possible only gradually. Another important step early in the 60s was that *the compulsory regulations relating to the internal life of co-operatives ceased to have effect for the most part*, whereby the principle of co-operative self-administration has been given full play.

Yet the most important are the changes which took place

- a) in the sphere of co-operative ownership,
- b) in the organisation of co-operative management, and

c) in the sphere of joining the economic forces of production co-operatives, or their forces with those of other socialist organisations.

According to the traditional view about co-operative socialist ownership in Hungarian socialist jurisprudence, and according to the corresponding legal regulation¹²:

1. Co-operative ownership may comprise assets whose possession by the co-operative is necessary for planned co-operative management, and for increasing the welfare of the co-operative's members (Civil Code, Section 180 (1)).

This definition of the objects of co-operative ownership — meaningless due to this overgeneralised formulation — can serve as a guidance only if we take into account the following:

a) In the Hungarian People's Republic we find several types of co-operative. There are co-operatives of the producing and the non-producing type. Those of the producing type are either agricultural or industrial co-operatives. In the agricultural and the industrial group alike, there are several other co-operative formations, in addition to agricultural and to the artisans' co-operatives. The most important among the non-producing types are perhaps the consumers' and sales co-operatives, and others (housing, savings, etc.) are active too. So many co-operatives, so many co-operative activities, even more sorts of activity may be within a single one. Accordingly, management requires one type of assets here, another there, again another in the third. A certain uniformisation was manifest in the regulations which tried strictly to define the line of a given type, stating the sphere of activity the co-operatives belonging to a given group are supposed to display. Yet not even the sphere of activity defined by provisions of law remained unchanged. Hence the category of objects of co-operative ownership cannot be defined with general validity: the category of objects in co-operative ownership changes with the individual co-operative, or, more exactly, with the particular type of co-operative activity.

b) On the other hand, not all assets required for planned management, and for increasing the welfare of members, are owned by the co-operatives. Part of the means of production required for working, and the means of decisive importance at that, belong to owners other than the co-operative — this was especially the case before changing over to the new economic system (— machines owned by the state, land by private persons, etc.). And even the promotion of the members' welfare was not possible solely by relying on co-operative assets. Owing to the past pricing policy, which was badly disadvantageous to co-operative farms, co-operatives had no choice but to implore for state "grants" in order that the membership could be kept at the subsistence level, not to speak of the time when compulsory produce delivery forced co-operatives to balance at the verge of economic ruin, and disorganised agricultural production. This actual situation was expressed by the juristic view, according to which:

2. The sphere of the objects of co-operative socialist ownership is limited. This limitation is twofold:

a) Objects of *exclusive state ownership* may not be owned by co-operatives. This view, formulated also as a provision of law, naturally related only to objects which were exclusively and unconditionally in state ownership (Civil Code, Section 168 (1)).

b) While the *typical and principal objects of state socialist ownership are the means of production, the typical and principal objects of co-operative ownership* — mainly in the domain of production co-operatives — *are the results of the productive work of those who joined hands in the co-operative.*¹³

Considerable changes have taken place in this interpretation of co-operative ownership since that time, and these changes took place not only in theory, but in reality as well.

The first step was to recognise, in addition to the typical and principal objects of co-operative ownership, such ownership of the means of production as were considered to be of decisive importance for the co-operative's principal line of activity.

The first significant change took place when the *purchase of machinery* was made possible. In the beginning this meant usually the purchase of agricultural machines (those needed for prime production in the strict sense); this was followed by handing over or selling to production co-operatives implements and equipment by which certain co-operatives or their ad hoc or permanent partnerships became altogether self-sufficient in every respect connected with the use of machine pools (e. g. handing over equipment for machine repair units, or to complete such units).

Next came the recognition of the land ownership of agricultural production co-operatives. Thus land — which according to the classical view is either exclusive property of the state from the outset in a socialist system, or, if not, will become state property some time later by any means, but may not be the object of co-operative socialist ownership (as long, of course, as such economic organisations exist at all) — went over into the ownership of *production co-operatives*.

The category of the ownership of means of production was further extended when the sphere of co-operative activities was expanded by law; those means of production went into co-operative ownership as a result, which were *not intended typically for conventional agricultural production*.

Since the economic purpose and possibilities of production co-operatives were given an extended interpretation in the new Co-operatives Act, production co-operative ownership now can include any assets that are necessary for collective, large-scale agricultural production, auxiliary and processing industrial activities, sales activities of the producing co-operative, and for all and any activities permissible under provisions of law on the basis of, or without, a licence. On this basis, the thesis can be stated that production co-operatives have the right to procure means of production which are not intended for agriculture in the strict sense, and to use them for purposes of their own; so they have the right to own any means of production which do not belong to that sphere of production where it is not necessary to keep the concentration of such means on the all-social level. As a consequence of the process during which production co-operatives enter into partnership with one another, and with state enterprises on different levels, any equipment that can be operated in the field of food economy may finally be drawn into the sphere of co-operative ownership.

From that time on when co-operatives were allowed to enter into partnership with one another and with state enterprises for the purpose of economic co-operation, it has become general practice that not only the result of joint

activities, but also the *fixed assets* made available by the partners for partnership purposes, went into the ownership of the parties or the partnership. Pursuant to valid legal regulation, this is specifically the case with the *joint undertakings* of agricultural production co-operatives, and with *co-operative joint enterprises*.

Some general conclusions may be drawn from all this.

a) Among the objects of co-operative ownership — what we refer to here is producing co-operatives first of all — *the first place in the category of fundamental and typical objects is occupied by the means of production*. The socialist proprietorship of production co-operatives is that kind of ownership which relates first of all to the basic means of production required for the co-operative's activities, and, depending on this, to the results of production and other goods in the second place.

b) From this conclusion it also follows that a production co-operative is a co-operative enterprise which pursues its fundamental activities with means of production *that are owned by it*; vice versa, it seems proper that *all means of production by which such activities are performed should go into the ownership of the co-operative, or co-operative organ concerned, or those participating in it*.

We think it natural that in our given circumstances the situation is not mature enough, and will perhaps never be, for all means of production used by a co-operative in its sphere of activities going into the co-operative's ownership. Owing to this situation, the means of production used, for instance, in land improvement, water conservancy, as well as other fundamental means of production do not belong to the sphere of co-operative socialist ownership. Yet, despite all this, we may state that it is the principal rule for means of production used in co-operative activities, for the object of work, and for capital equipment alike that some kind of co-operative ownership should materialise for all these, and that other proprietary rights relating to them should be the exception.

c) Hence the proportion of the means of production for which co-operative ownership materialises in some way or other *keeps extending*, i. e. the category of objects of co-operative ownership *keeps broadening*. And the ownership of means of production in their possession on the one hand widens the sphere of other objects that can be in co-operative ownership, on the other hand it generally consolidates the proprietorship of the co-operatives.

d) Nor can we disregard the fact that while in the past the assets manifest as means of production in the co-operatives belonged to the production co-operatives only legally for the most part because their equivalent had not been paid for, today the situation in practice is that the co-operatives can actually regard all these as their own. Although the various forms of subsidies must be maintained, their distribution and uses have been modified substantially in the circumstances of the new economic system. In this new system the living standards permit the increase of co-operative net incomes, and this, too, contributes to the consolidation of independence; for there is no co-operative accumulation without co-operative net incomes, and co-operative independence cannot assert itself sufficiently without accumulation. Although it is not closely correlated with our subject, we mention that the personal incomes of co-operative members are increasing, and this puts an end to that often intolerably disadvantageous situation which pushed many of the workers of production

co-operatives deep below the living standards of other producing sectors. Categories emerge in co-operative activities which in the past existed only in the management of state enterprises, and, vice versa, state enterprises make use of categories which in the past were regarded as typically co-operative formations. Of these categories we may mention attempts at introducing enterprisal management, the increase of one-man responsibility in management, the payment of wages, profitability, etc.

But let us revert to the thesis that the sphere of objects in co-operative ownership is broadening as a rule.

From the fact that in certain concrete fields of the manifold productive human activities the development degree of the productive forces makes necessary and possible various levels of production socialisation, it follows that appropriation, notably appropriation of a co-operative character of the means of production, can take place *on different levels* even within one given sector.

Co-operative appropriation of the means of production, and the increase of the scope of objects of ownership, can take place

- a) *within a single co-operative*
- b) *within the scope of entering into partnership with other co-operatives,*
- c) *within the scope of partnership with state enterprises,*
- d) *through creating some type of central co-operative funds.*

ad a) The trend that the co-operatives should become, as the existing conditions permit and to the greatest extent possible, the owners of the means of production and of the results of production, is highly significant in my opinion. The closest unity of the worker-and-owner status is realised within the sphere of social property in the relationship between the co-operative and its members.

The members of co-operatives are owners *ipso facto*; and as workers they take part in those activities which determine *directly* and *fundamentally* their financial standing. True, the co-operative member as a *citizen* takes his share from the appropriation of the all-social property (if there exists proprietary appropriation in this spheres at all), yet the truth is that — if co-operatives are concerned — the basic determinant of the co-operative member's living conditions is his own co-operative.

In some co-operatives, the members' responsibility for co-operative activities has been established, in others it has not been. The member's "share" in profits and losses exists even if the responsibility for co-operative activities has not been formulated legally, which — in my opinion — is not likely to become necessary. *Interestedness of some kind in profits and losses* is the fundamental element in any form of co-operative ownership.

As a consequence of co-operative democracy, the co-operative member takes part in this capacity in the management of the co-operative, taken in the broadest sense. In other forms of social ownership this relation — legally at least is — never a direct one and, moreover, in the sphere of state ownership this possibility is absent from the legal construction of the relationship between enterprise and its employee (I should like to mention here that starting from the legal regulation I cannot agree with the opposite views set forth by some scholars of labour law in this matter), and can be manifest at best in some other way, through *civic rights* and with quite a number of intermediate links.

The fact that the worker enjoys the status of owner in the co-operative, that he takes risks and is drawn into management, is in my experience, of great consequence as concerns the increase and protection of social property. The socialist transformation of agriculture in Hungary required great efforts; and we may state as well that in the beginning the resolution of the peasantry to live in these new circumstances was not at all a common feature. On the other hand, the situation today is that the relationship of the *members* to the objects of common property is usually *better* than that of the average employees of state enterprises. Although the direct awareness and feeling of proprietorship is not the only means of stimulating people to accomplish the aforementioned aims, it is still undeniably one of the most important means; it is therefore advisable that the means of production used for activities which can be socialised on the co-operative level should be in co-operative ownership.

The expansion of the category of co-operative ownership should be insisted on for yet another reason. If the rule that the level of appropriation must be on the level of production socialisation is correctly interpreted, namely that if a fundamental part of certain activities can be carried out *within the scope of a socialist collective free from exploitation*, and if the co-operation of other organisations in these activities is required only within the *sphere of commodity relations that can be transacted only by means of contracts*, — i. e. the activity in question does not require socialisation on a very high level — *ownership can be placed on this level, too*. Apart from the reasons stated above, also experience shows that co-operatives are more lively in economic life, than are the state-owned enterprises. If tasks required the same internal conditions are made tasks of co-operatives and state enterprises to which the same conditions are available, well-organised co-operatives usually start to realise them sooner, and realise them more successfully, if the *external* conditions for this are given (decisions are easier to reach, less instances of approval are needed, there is less bureaucracy).

In practice the *expansion of the sphere of co-operative property has been realised especially in agricultural production co-operatives*. Such expansion was made possible by the following:

aa) the experience and assumption that co-operative activity can comprise, in addition to agricultural production, a certain phase of produce processing, as well as servicing and other complementary activities,

ab) the experience that owing to the specialisation of production the complex inclusion of a given food-economic activity within one unit can improve efficiency,

ac) the realisation that decentralised agricultural production co-operatives are not able to fight out equality of rights if faced with monopoly organisations, that this fight cannot be waged merely by legal means, interest protection, but that this requires economic power.

As a consequence of all this, the co-operatives must increase the stock and assortment of their means of production.

The circumstance that *the secondary activities of agricultural production co-operatives* have been introduced in practice also contributed to the increase of means of production owned by co-operatives. These secondary activities have resulted in the acceleration of satisfying the needs of the people's economy, in full employment for the membership, in an increased rentability of opera-

tions, and in the acceleration of accumulation. To these generally known results I should like to add that a prompt adjustment of production to needs was also made easier by the expansion of the sphere of activity, and that the legal capacity of the co-operatives increased.

An increase in co-operative property is desirable, as a matter of course, in any co-operative in the sense that *it should promote their principal line of activity*. But it happens nevertheless that the secondary activities in agricultural co-operatives depart from this desirable course to a smaller or greater extent. In my view, the reasons of this departure have not been analysed thoroughly to date. We must keep in mind for the future that

aa) more and more manpower is released in the field of agricultural production. This labour force which was bound to place in the past even by provisions of law, has become deeply rooted in rural communities; their permanent employment on the spot encounters difficulties, and their employment in industry presents a problem for other reasons; this means that the consequences of former restrictions, which are now felt as a disadvantage, have not yet been liquidated. This permanent or periodic excess of labour *is felt by co-operatives much more intensely than by detached superior management which has to rely on statistics as a matter of necessity*.

ab) The secondary activities of production co-operatives *satisfy existing and sound social needs*. Even at a time when these side-line activities emerged on a wide scope, it was exceptional to hear that products turned out by considerably established subsidiary enterprises should not have been sold.

ac) The circumstance that co-operative activities compete with economic units which operate on the basis of state ownership is not in itself condemnable.

ad) Experience has shown that processing and independent marketing activities closely connected with agricultural production require much greater investment than some other activities. If we wish to stimulate the production co-operatives to take this course, we must give them more substantial help and encouragement, especially for making a start.

ae) Experience has shown that the majority of secondary activities ensures prompt and safe sales, early returns as a result, and accumulation of greater volume for the co-operatives.

af) We also must point out that in certain agricultural co-operatives the signs of a relative overproduction (vegetables, fruit, grapes) are already manifest, and this does not act as a stimulus to develop agricultural production.

ag) Finally we must mention that the monopoly organisations which so far usually maintained only commodity relations with agricultural production co-operatives, are but little inclined to establish with them firm, permanent, well-organised partnerships based on common risk and common interests, and all this might again divert the planning of activities in another direction.

All these problems require careful investigation — which will take quite a time — and the taking of many a measure in most cases. Only **after**, but by no means before this is done, will it be possible to reach satisfactory and final decisions in the question on what scale, and in what spheres of side-line activities is it desirable to permit production co-operatives to increase their stock of means of production.

ad b) The category of means of production in co-operative ownership is extending also *by making use of appropriation methods realized through various*

forms of the economic co-operation of the co-operatives. The trends of this co-operation are: the modernisation of animal breeding, introduction of new technological processes, creation of conditions for industrialised production, processing of agricultural produce, safer marketing of milk, meat, grapes, fruit, food, etc., their preservation, machine repair servicing activities in the building trade, and *independent marketing* for putting an end to the wide and unnecessary separation of producer and consumer as has been usual so far.

ad c) Our provisions of law make possible partnership for economic collaboration between co-operatives and other (non-co-operative) socialist organisations, including state enterprises. As a result of collaboration with state enterprises, the category of means of production going into co-operative ownership is extending, even in a situation of common proprietorship that differs from the former. These partnerships come into being for the very reason because the activity pursued with the means of production, which are put into operation by such economic collaboration, is socialised to a wider extent than would be possible within a co-operative.

ad d) Co-operative federations, centres create central funds from the contributions of member co-operatives and from other sources. Despite, or perhaps just because the fact that, compulsory contributions have been abolished, it is to be expected that considerable amounts will be accumulated in these funds in the future. It would seem that the administration and spending of sums piled up in centres and co-operative federations, to be used for co-operative purposes require regulation anew. It would be desirable generally to spend most of these amounts on investment, and only exceptionally on poorly managed co-operatives.

It would deserve consideration to establish a *co-operative bank* for carrying out, first of all, credit and loan operations with these funds. Namely in this case the *co-operative appropriation of potential means of production*, of finances derived from co-operatives, *would be realized*. Needless to say, the activities of such a bank would have to be surrounded with well-devised rules of state control, and it would logically not be supposed to engage in operations reserved in a restricted field exclusively to the Hungarian National Bank.

11. One might ask after all this whether economic activity free from exploitation, taking place on the level *where the socialisation of production is of a high degree*, can be realised only in the form of state ownership, through all-social appropriation, or in some other way too. At the beginnings of building socialism, the proprietary form that suited the high socialisation of production appeared in the socialist ownership of the state. When the start on the way to socialism is made, enterprises working with highly concentrated forces of production are nationalised. So are other enterprises of which such a high degree of concentration is not characteristic, but concentration is to be attained by state ownership.

Does this mean that a situation in which the high concentration of production develops outside state ownership, e.g. within the framework of co-operative, or mixed social (common state and co-operative) ownership, cannot emerge later on? In my view co-operative ownership and mixed social ownership are suitable forms of proprietorship for developing a high degree of socialisation of productive forces, and also for the proprietary expression of this high degree of socialisation.

The possibility is given for the development of a proprietary environment — corresponding to the high degree of production socialisation, or promoting it — in co-operatives, in various partnerships of co-operatives, in partnerships of co-operatives with state organisations, i.e. not only in the sphere of state ownership. *Another way of realizing social appropriation on a high level can take shape besides state ownership; especially in circumstances of proprietorship that emerge in the sphere of activities pursued, and ceaselessly developed, with means of production whose ownership is acquired by co-operative partnerships, and jointly by co-operatives and other socialist organisations.*

As concerns the framing of provisions of law, it can therefore be recommended to consider — in a not too short, but not too long time either — a more restricted definition or the category of objects to be left in the exclusive socialist ownership of the state. Rivers, channels, natural lakes, their beds, abandoned stream-beds and islands newly formed in rivers, public roads and squares definitely, natural resources according to needs, should be left in state ownership. *Having pointed out these particular objects, the provisions of the two basic forms of state ownership relating to the objects of proprietorship might be formulated as follows:*

Basic means of production, and goods important for the people's economy — unless an exception is made by provision of law (preferably by an act of parliament) — may be property of the state and other socialist organisations, co-operatives in the first line.

CHAPTER IV.

NEW FORMS IN THE SPHERE OF SOCIAL OWNERSHIP

12. Development of mixed (inter-sector) social ownership. Difficulties, tasks.

13. New forms of social group ownership.

12. Novel economic formations created by partnership agreements between enterprises represent a new feature in the structure of social ownership. The legal fate of assets does not presents any difficulty in the case of trusts and associations. Trusts and associations actually, and essentially, perform enterprisal tasks in fields where, owing to the relative low degree of production concentration, an organisation — corresponding substantially to the concentration degree of production and expressing it properly — is placed between independent enterprises and the owner state. The situation is different in the case of partnerships between enterprises, especially if also non-state organisations join them. If partnership is created not only between state enterprises, but also other socialist organisations which are active on the basis of an ownership form that differs from that of the enterprises join it — the objects owned by the partnership cannot be referred to as purely state, or as purely co-operative property either. Here the owners are the state — through the state enterprises joining the partnership — and the other partner socialist organisations, in proportion to their intangible shares. We are confronted here with a form of common property not yet experienced in the sphere of social ownership. Mixed social ownership emerges in these novel economic formations.

Endre Nizsalovszky raises the question which of the ownership forms to be found in a socialist society will be due to those *trading companies* which exercise actual and complete proprietary rights over their original capital, or over the assets that form the cover of their capital, and over other assets whose ownership they acquire in the course of their operation. He is of the opinion that this type of ownership should be identified as a subspecies of group ownership akin to co-operative ownership; but he adds quasi doubtingly whether this solution is correct when enterprises of the state are present solely, or for the most part, among the members of such a trading company.

The set of problems behind this question is most significant. According to present regulation, we can distinguish two basic types of partnership created by socialist economic units: the partnership of state enterprises, and the partnership of co-operatives.

Pursuant to provisions of law relating to state enterprises, these can create partnerships in the form of trading companies, can establish secondary enterprises. Secondary enterprises established by state enterprises can be of two types, depending on where those participating in the foundation have been enlisted from. Accordingly, it is possible that only state enterprises form the partnership (purely state-enterprise partnership), but co-operatives and other socialist organisations can also be founders, in addition to the state enterprises (partnership of mixed enterprises). Provisions of law offer the possibility for others — be they state enterprises, or other socialist organisations — to join already established partnerships (principle of open membership).

Even if there is only one state enterprise among the foundation members of partnerships or secondary enterprises, these are governed by the provisions of law relating to trading companies (joint stock companies, limited liability companies)¹⁵ and by rules relating to the management of state enterprises (investment, accounting, distribution of profits, taxation, etc.).

In the partnerships and joint enterprises of the co-operatives, the *foundation members* are the co-operatives. Similarly to partnerships and enterprises founded by state enterprises, joint enterprises are of two types. If only co-operatives take part in partnerships or joint enterprises, we speak of "pure co-operative partnership" or "pure co-operative joint enterprise". If, however, also other socialist organisation take part in a partnership or a joint enterprise, this is a case of "mixed co-operative partnership" and "mixed co-operative joint enterprise."

It should be noted that *in the foundation* of partnerships and joint enterprises of co-operative character, only co-operatives and such socialist organisations can take part which are not qualified as state economic organisations (enterprises, trusts, associations, economic bureaus); if there is a state enterprise among the founders, the partnership or joint enterprise cannot be qualified as a co-operative partnership or co-operative joint enterprise. From all this it is obvious, too, that economic organisations of the state can become members of co-operative partnerships or joint enterprises only through joining.

Co-operative partnerships and co-operative joint enterprises have been shaped as *sui generis* legal forms; their establishment, activities, etc. come under the ruling of the Agricultural Production Co-operatives Act; in more detail, under the ruling of the provisions relating to "simple co-operation", "joint enterprise" and "co-operative joint enterprise."

Thus partnerships and joint enterprises established by socialist organisations show two characteristics:

1. Partnerships, joint enterprises of state character, if

a) they are founded by state enterprises (economic organisations), and also the partners are state enterprises without exception;

b) the founders are different socialist organisations, but there is among them at least one state enterprise;

c) the founders are state enterprises, and other socialist organisations have entered the partnership, or joined the enterprise later.

2. Partnerships, joint enterprises of co-operative character, if

a) the founders are solely co-operatives, and all participants are also co-operatives (Although the *sui generis* legal forms of co-operative partnerships and joint enterprises are laid down in the Agricultural Production Co-operatives Act, according to the correct legal interpretation a partnership or joint enterprise of co-operative character is established in every case where also non-agricultural production co-operatives or other socialist organisations not qualified as state enterprises are among the founders, but at least one of the foundation members is an agricultural production co-operative);

b) the founders are co-operatives, and state enterprises entered the partnership only later.

Irrespective of the character of partnership or enterprise, a mixed social, *inter-sector form* of ownership emerges in respect to the assets which go over into common ownership and in respect to the enterprises in every case where socialist organisations of different types enter into partnership or participate in a joint enterprise.

When rules are framed for management relating to the dynamical facet of property, the mixed nature of ownership must be taken into account. Evidently because of time pressure, Hungarian legislation has failed to do so till now. Namely valid Hungarian law, focussing attention merely on the founders, only offers two possibilities: partnerships and joint enterprises must be placed in legal circumstances defined either by rules relating to state enterprises, or by rules relating to co-operatives (more exactly, to agricultural production co-operatives). Experience so far has shown that this solution is not satisfactory because

a) rules of management, developed within the sphere of state ownership are forced upon socialist organisations not belonging to the state sector, and this is the case rather often, whenever an economic organisation of the state is among the founders. One cannot simply create a partnership, a joint enterprise of "state character" irrespective of the circumstance what task such partnership or enterprise undertakes to perform, and under what conditions of management, in what economic environment these tasks can be best accomplished. Under present regulation, whenever a co-operative wishes to enter into partnership as a founder with a state enterprise, it can only do so by joining a partnership or joint enterprise of state character:

b) the difference between the management of state enterprises and other socialist organisations is so essential that it cannot be resolved even by a sound compromise;

c) economic units of different sectors are hindered in the realisation of their intentions to enter into partnership with one another, because they are

forced to put up with economic conditions that differ from those they had been accustomed to, regardless of whether this is good or not good for them, practically by mere chance. In practice it is mainly because of the unjustified inflexibility of credit regulations that state enterprises and agricultural production co-operatives have difficulties in establishing, or do not establish at all, partnerships and joint enterprises, although this would be needed badly especially for developing a soundly co-ordinated food economy where profits and losses are shared more equitably than so far.

Valid Hungarian law contains no provisions in respect to partnerships and joint enterprises that socialist organisations wish to establish with participants other than economic organisations of the state, and agricultural production co-operatives. (E.g. general consumers' and sales co-operatives, industrial co-operatives, associations.)

In order to facilitate the uniform partnership possibilities for various socialist organisations:

a) the uniform law of association must be framed. Several variants of partnership must be included in the uniform law, under which the prospective partners — irrespective of what type of socialist organisation they represent — can choose freely that particular model of partnership which best fits their circumstances, potentialities, and the target to be attained by such partnership;

b) the system of economic regulators must be developed further, into one which co-ordinates the interests of the various sectors; and this is an urgent matter because the lack of satisfactory regulations already hinders considerably the establishment of economically desirable partnerships. Economic regulators relating to inter-sector partnerships and joint enterprises must not lay down only two possibilities of choice; an adequate system must be shaped with the combination of the present regulators, and this system must be flexible enough so that its practical application should promote the inter-sector partnership of economic units in those fields where this is necessary for the concentration of production, a better satisfaction of needs.

The mixed, inter-sector type of social ownership will be able to develop soundly only if legislation takes into account consistently the novel features arising from the inter-sector, mixed character of ownership, and carries out logically the reorganisation demanded by these novel features also in regulating management in respect to the dynamical facet of ownership.

13. Little attention has been paid so far to the other forms of *group ownership*. Basically, we only have taken into account state socialist and co-operative socialist ownership, and in the sphere of the former, literature has been mostly concerned only with the problems of state ownership inherent in enterprisa assets. Owing to the recent development of the economic independence of local councils, greater attention must be paid in the future to the conditions of organisations financed by the state budget. At the same time we must be fully aware of the fact that, besides the aforementioned novel constructions of ownership, joint ownership, which appears as social ownership at the same time, has older, less conspicuous forms, such as the proprietary relations of *different associations*, e.g. water conservancy or irrigation associations; or *society ownership*, none of which can be ranged with the sphere of either state or co-operative ownership, and, to all appearances, cannot be settled

simply by providing that either the rules of state socialist ownership, or those of co-operative ownership must be applied logically to them.

The changes that have taken place in the sphere of state and co-operative socialist ownership raise some problems *in respect to the relationship of these two*. On the basis of recent development, we categorically reject the view according to which co-operative ownership, and group ownership in general, *is not consistently socialistic*. Co-operative socialist ownership precisely materialises all criteria which a form of ownership deserving the socialist attribute must have. It adequately expresses the degree of production socialisation. It has nothing to do with exploitation, the principal or sole incomes of the members are derived from work. A certain part of the assets of agricultural production co-operatives is added to the indivisible co-operative fund, and the circle of owners is widening through this, and through appropriation transmitted by the joint enterprises of the partnerships. Under the effect of the various income regulators of the state, they also contribute to central accumulation.

What has been said above serves also as an argument against the view according to which co-operative ownership is an *inferior form* of social ownership. Doubtless, the property of production co-operatives expresses a lower concentration of the forces of production, but it reflects the given concentration accurately, and in this respect shows reality much better than does state ownership in some cases. Further, co-operative ownership — as is shown by most recent development — *is no obstacle to the concentration of productive forces*; on the contrary, it can resort to the means of concentration with ease, on the basis of voluntary decision, at the proper time, if this is deemed necessary (simpler collaboration, co-operative joint undertaking, co-operative enterprise, joining the partnerships of state enterprises, etc.).

Ever since the commodity-monetary relations, the operation of the law of value, have won recognition in the socialist society, ever since it has been evident that a socialist economy is a commodity-producing economy, the discriminating argument that work done in co-operatives becomes social work only indirectly can be left out of account, for we do know that work becomes social only indirectly also in the sphere of state ownership, through a comparison of its products with other products. The question whether co-operative ownership constitutes a socialist form of ownership only *under the rule* of state ownership, will be discussed elsewhere.

Is the thesis that the state directs the national economy chiefly by relying on its own proprietorship a correct one? I believe that the state, as the supreme executive power entrusted with the planned direction of the socialist economy, *relies equally on both types of social ownership*. In essence, these two contribute equally to central accumulation, and the state will never, can never, release the co-operatives from their obligation to contribute to central accumulation.

As concerns the methods of *management*, state enterprises and co-operatives keep getting nearer to one another.

CHAPTER V.

SUMMARY

14. Brief summary of changes, conclusions.

15. What may come next?

14. Some conclusions can be drawn on the basis of the changes. These changes affect state socialist ownership, co-operative socialist ownership, and the relationship between the two. Signs of certain rearrangement appear within certain forms of ownership, and also between forms of ownership. The dividing line between the two traditional forms of socialist ownership becomes indistinct, some features of the socialist state's economic controlling function are changing. On the basis of experience available in the Hungarian People's Republic, the characteristic features of social ownership can be summed up as follows:

1. Taking as the basis valid legal regulation, the *indivisibility and unity* of the state's socialist ownership continues unchanged for the time being. Yet the owner state employs *self-restriction* in order to ensure the self-movement of economic automatisms appearing on the enterprise (trust, association, partnership) level so that they can express separate enterprisal interests, and make them clashing on the market. In the legal sense, self-restriction is manifest in the *accurate definition* through provisions of law of the scope of economic activities of state organs of various levels, and of the range of function of enterprises. Decisions of the state, if they relate to automatisms, are directed to the *enterprises*, and do not dispose of their means of production outside them, or without them.

2. *Fundamental means of production* remain in state ownership. Means of production are qualified as fundamental if they belong to production units which represent such a concentration level of productive forces for which the all-social character of property must be manifest in the form of state ownership because of the high-degree socialisation of production and appropriation. Thus, in the last analysis, it is not the important or less important nature of the means of production that is decisive — although this is not disregarded either; what is decisive here is the circumstance whether given means of production are employed in economic activities on a higher or lower degree of production socialisation.

3. But the state does not aim at becoming the owner of all fundamental means of production, or of the *majority* of means of production. Namely neither the state's economic controlling activity, nor its political power depends on the bulk of the means of production being owned by the state or not. Part of the means of production — which in the former view only could have been owned by the state — have *already been removed* from the sphere of state ownership, and went over mainly into co-operative proprietorship. The handing over of important means of production, sometimes of entire plants, to other socialist organisations is going on. A process emerges during which co-operatives or their partnerships take over further means of production from the state, and other means go over into mixed inter-sector social ownership as the property of state and co-operative partnerships. On this basis it is possible that production, socialised to the level of medium units, will be carried on in the future on the foundations of *group ownership*, within the scope of an

ownership level that suits the degree of production socialisation. In my view, this largely settles the dispute over *what sort of relationship there should exist between the state and its enterprises*, because what is actually involved here is the question of what means of production should be owned by the state.

4. If we regard the order of importance, we see that *central public revenue*, as the object of state ownership, gets prominence over the state ownership of means of production. In direct proportion to the development of the new economic system, this will become the most important object of the state's socialist ownership. Public revenue is the financial basis of the decisively important credit policy of the state, serves as the source of forming funds for economic development, structural changes, which serve for accelerating efficiency, eliminating disequilibrium, and for supporting economic-political decisions in general. It is from here that enterprises and production branches of low efficiency, ensuring only incomes below the average, and their employees will be shifted to courses of economicalness and higher efficiency, in short, that macro-economic decisions will be backed up. Central public revenue serves as the source for supplying extra-economic fields (cultural, health, social services, education, etc.).

5. State property shows *predominantly the characteristics of commodity property*, thus the older thesis according to which state property is usually *not commodity property* does not hold. Commodities are things produced not for satisfying own needs, but for being exchanged for other goods on the market. The bulk of the objects of state ownership appear on the market and are exchanged for other products. The liberty of producing commodities and exchanging them for others is ensured to state automatisms.

6. The potentiality of the socialist state, as the supreme executive power, to direct the national economy arises from its political power. Both forms of social ownership are equally the supporters of this power. Hence also the thesis seems to be outdated that the state exercises political power and economic organisational activities on the basis of its proprietorship, as the owner of the basic means of production, or the owner of the majority of means of production.

7. Co-operative socialist ownership is a form of socialist ownership *of the same rank as state ownership*. But to realise this equality of rights on every level, much yet remains to be done. Possibilities must be created to raise production concentration to a higher level through the co-operatives. Prohibitive rules, which exclude co-operatives from certain spheres of activity and create monopolies for the state sector, must be abolished gradually. Better possibilities must be created for attaching certain activities of the food economy to agricultural production co-operatives, by surrendering these activities in the field of production and interest to co-operatives, their partnerships, or to co-operative and state partnerships. The circumstance that the management of co-operatives, which are owners of the means of production and perform productive activities with the work of their members, keeps getting nearer to the management methods of state enterprises results in further *differentiation* among co-operatives. The internal contents of ownership relations, the manner of activity, the organisation needed for this activity, conditions of internal life in production co-operatives, show trends that differ from those in other co-operatives. But apart from differentiation, economy — and even more so

when the councils are transformed from local organisations of state power into self-governing bodies — another new form of *social group ownership* emerges in the form of *municipal ownership*.

11. It admits of no doubt that we are confronted with a novel form of social ownership in the case of *suprastate* or *interstate ownership* that realises a very high degree of the concentration of productive forces through international joint enterprises established in the course of international economic co-operation.

*

15. This is the situation at present in respect to social ownership, or, more exactly, this is the situation in Hungary. Yet the possibility that a still newer structure of social ownership will emerge in the future cannot be excluded. And such a structure might be like this:

A system of socialist ownership in which

- a) the socialist state, on the basis of its political power,
- b) relying on centralised income collected by it from the accumulation of social production,
- c) defining as the owner economic automatisms free from exploitation,
- d) as creditor number one, through various preferences,
- e) determining the long-term plans of economic development, the general trend of developing the people's economy,
- f) working out the regulators of automatisms, and making the regulators compulsory for the automatisms by means of provisions of law that take the form of the state's will,
- g) making available the management variants striving after optimal results,
- h) promoting, and supporting free of charge, certain tasks by special intervention, is leading the people's economy towards a single aim, towards socialism, communism.

NOTES

¹ Lenin: Reporter's speech on war and peace at the Russian Communist (Bolshevik) Party's VIIIth Congress. Lenin's Works, Szikra, Budapest, 1952. vol. 27, pp. 76–77.

² Engels: Anti-Dühring, Szikra, Budapest, 1950. p. 277.

³ The socialist revolution differs from the bourgeois exactly in that in the latter case the complete forms of capitalist relations are given, while Soviet power, proletarian power, had to do without such relations, unless we count in the most-developed forms of capitalism, which, *essentially, extended only to the small top stratum of the industries, and affected agriculture only to an insignificant measure* (italics mine, I.S.).

Lenin: Reporter's speech on war and peace at the RC(B)P VIIIth Congress. Lenin's Works, Szikra, Budapest, 1952. vol. 27, pp. 76–77.

⁴ Contrary to the general view, according to which the establishment of large agricultural production units would have been economical immediately after the revolution — after having changed over to building socialism — in the countries in question, I profess that in the given situation there was no better solution from the economic and management point of view than to distribute land for individual farming — to transfer it into private ownership in the people's democratic states. In given circumstances (the peasantry's claim to the ownership of land, ruined agricultural production, which had been of very low standards anyway; the absence of co-operative thinking) large agricultural units would have had substantially greater difficulties in starting production and raising it to fairly high standards within a relatively short time. Otherwise

the economic point of view in such cases of social importance only represents one facet of the problems, and must not be interpreted in a "sterile" manner, but only as affected by all other circumstances, by politics first of all.

⁵ Marx and Engels have not made a thorough analysis of the state's role in a socialist (communist) economy. In his *Anti-Dühring* (Herrn Eugen Dührings Umwälzung der Wissenschaft), written also in the defence of Marx's theses, in the 1894 Stuttgart edition ("third, revised, enlarged" edition) published shortly before his death, Engels writes about the economic role of the proletarian state as follows: "The proletariat seizes state power, and for the time being transforms the means of production into state property. Yet by doing so it abolishes itself as the proletariat, abolishes all class differences and class contradictions, and thereby abolishes the state as a state." A few sentences farther: "By becoming at last actually (i.e. the state, I.S.) the representative of the entire society, it renders itself unnecessary. As soon as there will no longer be any social class to be oppressed, as soon as class rule and struggle for individual life rooted in the anarchy of production till then, as well as the clashes and violence resulting from this, will cease to exist, there will be nothing left to be oppressed, nothing that would require a special power of oppression, a state. The first act by which the state actually appears as the representative of entire society — by taking possession of the means of production in the name of society — will be at the same time its last independent act as a state."

⁶ The internal, political, oppressive, the external defensive, and the economic organising and cultural educational functions are usually referred to as the functions of the socialist state. This definition of the principal courses of uniform state function may be termed as correct beyond doubt. But it is by no means acceptable to separate these functions from one another in an inflexible manner, and, consequently, to restrict the internal oppressive function — and the activities of the instrument of coercion — exclusively to the political field. Employment of the instrument of coercion might become necessary also in the economic organising function. Thus the existence of the instrument of coercion is important also from the economic point of view. That the activities of the state's organ of coercion are of a larger volume in the beginning, and it becomes smaller and smaller as the building of socialism proceeds, is another matter. In March 1918 Lenin wrote on the tasks facing the Soviet state as follows: "The organisation of registration, supervision over the largest plants, transformation of the entire machinery of state economy into a single, immense machine, into an economic organisation which works in such a way that hundreds of millions of people should be led by a single plan, this is the gigantic organisational task that we have to shoulder. . . . We have come up against tremendous difficulties in this field. To all who wanted to consider the tasks of the revolution seriously it was immediately evident that to overcome the disintegration which the war had brought about in the capitalist society will only be possible on the hard and long way of self-discipline; we shall be able to overcome this disintegration, to fight down the elements who make disintegration worse, who saw a means in the revolution for getting rid of old limitations, and try to squeeze out the maximum of it, only by extremely difficult, long and persistent work. In our petty bourgeois country, in the circumstances of incredible economic decay, it was inevitable that great numbers of such elements raise their heads, and the fight against these elements will be a hundred times more difficult — it does not promise any prompt success."

Lenin: Reporter's speech on war and peace at the RC(B)P VIIth Congress. Lenin's Works, Szikra, Budapest, 1952. vol. 27, p. 77.

⁷ In *Anti-Dühring* Engels describes the process during which the *social character of the productive forces* developed, and their social productive character won *actual recognition*. Engels also points out that nationalisation does not mean in every case that it is an actual recognition of the social character of the social forces of production, but that nationalisation takes place or other reasons.

"It is this counterpressure directed by the tremendously growing productive forces against their capital-quality, this increasing compulsion to recognise their social nature, that force the capitalist class to treat them increasingly as social productive forces, so far as this is possible at all under capitalist conditions. The period of industrial prosperity with its boundless inflation of credits, as well as the smash with the collapse of big capitalist companies, have pushed masses of means of production towards that form of socialisation which appears in the various sorts of joint stock companies. Some of these means of production and communication are so immense from the outset, as railways for instance, that they preclude any other form of capitalist utilisation. At a certain stage of development, even this form proves to be inadequate; the big inland producers of the same industrial branch congregate in "trusts", in associations aimed at the regulation of production; they determine the total quantity to be produced, distribute it among themselves, and enforce in this way the purchase price fixed beforehand. Since, however, such

trusts usually disintegrate at the first depression, they give rise to a still more concentrated socialisation just because this; the entire industrial branch is transforming into a single, big joint stock company, inland competition is replaced by the inland monopoly of one single company; just as this happened as early as 1890 to English alkali production, which — after the merger of all the forty-eight big factories — is now in the hands of a single, uniformly managed company with a capital of 120 million mark.

In trusts free competition swings into monopolies, the planless production of the capitalist society surrenders to the planned production of the coming socialist society. True, to the benefit and advantage of capitalists for the time being. Yet exploitation becomes so apparent here that it must collapse. Not one people would tolerate a control of production by trusts, such an outright exploitation of the community by a handful gang of coupon-cutters.

One way or another, with or without trusts, it is nevertheless the state, the official representative of the capitalist society, that must take control of production finally. This necessity of transformation into state property first appears at the big institutions of communication: the post, the telegraphic system, the railways."

Engels: Anti-Dühring, Szikra, Budapest, 1950, pp. 285 — 287.

In a note attached to these lines Engels explains that capitalist nationalisation represents progress only if nationalisation "*has become economically unavoidable*":

"For only in case if the means of production or communication have *actually* outgrown from the control of joint stock companies, if therefore nationalisation has become *economically* unavoidable, only in this case is it economic progress — even if carried out by the state as it is today — only in this case is it a new step toward taking possession of all forces of production by society itself. Yet recently, since Bismarck has thrown himself into nationalisation, a certain kind of perverted socialism has emerged, which even has degenerated into sort of lackeying occasionally, and declares without further ado that *any nationalisation*, even the Bismarckian, is socialistic. Of course, if the nationalisation of tobacco would mean socialism, then also Napoleon, also Metternich ought to be counted among the founders of socialism. When the Belgian state, for quite ordinary political and financial considerations, constructed the principal railways itself, when Bismarck, without any economic necessity, nationalised Prussia's principal railway lines simply for equipping and utilising them better in case of war, for bringing up the railway officials to be the voting horde of the government, and, chiefly, for securing for himself a new source of income independent of parliamentary decisions — all these steps were by no means socialistic, neither directly nor indirectly, neither deliberately nor unknowingly. Why, if they were, then even the Prussian Royal State Bank (Seehandlung), the Royal Porcelain Manufacture, or the military tailor would be socialist institutions (and even, the nationalisation of the brothels, as was suggested quite seriously by a sly fox under Frederick William III in the thirties)."

(Engels's note) Engels: Anti-Dühring, Szikra, Budapest, 1950, pp. 286 — 287.

Although Engels speaks of capitalist nationalisation in the quoted passages, his remarks are directive in two respects also for appropriation, or, in more detail, for the socialist system of property socialisation.

a) Already at the beginning of socialist building, those means of production must be nationalised which are used in a field where the social character of the *productive forces* has been realised at the time of the socialist revolution.

b) It is not absolutely necessary to nationalise those means of production which do not meet this condition. These are preferably left in private ownership (see notes 8 and 9), or ownership should be placed at a lower level of socialisation.

It nevertheless may be considered to draw into the sphere of state ownership such *activities* in whose sphere the social character of the productive forces had not yet developed to a high level by the beginnings of socialist building; but for satisfying domestic demands, or on account of their competition with capitalist surroundings, these activities must be developed rapidly (it may happen that in some advanced capitalist countries the productive forces in the sphere of such activities are of a social character — recognised as such or not — and that a lag appears only in the country of the victorious revolution). What I mean by this is the nationalisation of the activity; the creation of productive forces of *social character* within the sphere of this activity comes after this.

⁸ The comprehensive nationalisation of house-property in Hungary has imposed an immense burden on the people's economy (the state), and the equivalent could not be collected from the low rents. As a consequence, the former owners were given the possibility to claim their houses again after some time, or the houses — family houses first of all — were sold by the state to private persons on favourable terms. Of the living-houses only the big lodging houses are owned by the state in Hungary at present.

In order to increase the number of flats, the state employs vigorous incentives to encourage the building of private flats (family houses, blocks of freehold flats), granting long-term credits to builders, and supporting the formation of housing co-operatives. The capacity of state building trade is being expanded, and there is ample opportunity for expanding the co-operative building trade.

⁹ Whenever things were rammed through existing practical conditions this produced disadvantageous consequences. This happened when village barbers, cobblers, tinsmiths, coopers satisfying the needs of a village, wheelwrights, shoeing-smiths, bakers were nationalised or organised into co-operatives; their productive activities were "centralised" in many cases, village workshops were closed down, and "socialist manufactures" were organised for them in district centres, or in larger villages. The provision of services was made cumbersome in this way — for who would travel 10–15 kilometres to have a shave, who would take his leaky pots as far, even a founder would hardly amble farther. The number of administrative staff grew to the detriment of the producers. Realising all this, the government made it possible for socialised craftsmen to reopen their workshops in villages and to work as private artisans. Where nationalisation or organisation into co-operatives stood the test (in towns, places of easy access), the state hairdresser's shops, etc. or co-operatives continued.

¹⁰ For more details of the idea see the studies published in "Questions Actuelles du Socialisme" (Revue Trimestrielle Yougoslave), 1966, vol. 83 (October–December).

¹¹ Also in this volume two studies are devoted to this question for the most part. A number of other papers have been published on this subject. To give an idea of them, we mention a few.

The changes that took place in the system of socialist ownership captured the attention of jurisprudence, too. A vigorous polemic arose first of all about the interrelationship of the state and the automatisms working within the sphere of state ownership.

All participants of the debate tried to grasp also theoretically the substance of those changes which make alterations justified also in the field of juristic attitude.

a) State enterprises in the capacity of owners of commodities (m. Világhy: The State and its Enterprises, Jogtudományi Közlöny, 1967, vol. 10–11).

b) Enterprisal ownership (for a rich documentation of the literature see Tamás Sárközy: Questions of Principles in Enterprise Management, Jogtudományi Közlöny, 1969, vol. 2–3).

c) The politico-legal character of state ownership (Tamás Sárközy, op. cit. Jogtudományi Közlöny, 1969, vol. 2–3).

d) The divided form of ownership (severalty) (Imre Sárándi: Some Legal Problems of the New Economic Mechanism, Jogtudományi Közlöny, 1968, vol. 2).

The views held on these subjects have approached reality from different angles. At the same time — although the disputants disprove mutually their views in the heat of the debate — we may say that all views have taken us one step forward in the direction of formulating the new conception of social ownership.

We get even assistance in this respect from the view which interprets the present changes as *partial changes within continuity which do not affect the basic conception*. But even here the idea has been raised that although at present we have *these changes* only, the possibility of further changes affecting the basic construction as well cannot be excluded. (Gyula Eörsi: Legal Aspects of the Shifting to the New System of Economic Control. Közgazdasági és Jogi Könyvkiadó, Budapest, 1968, pp. 167–169).

¹² But the views presented did not remain purely theoretical theses. They became normative rules in a number of provisions of law. After explaining the substance of the juristic view, we present in these cases the provisions of law in which the particular views appears in the form of a normative provisions.

¹³ Cf. Miklós Világhy — Gyula Eörsi: Hungarian Civil Law (University textbook, Tankönyvkiadó, Budapest, 1965, vol. I).

¹⁴ Government Decree 11/1967 (V. 13) Korm., Section 38. Jogszabálygyűjtemény I, pp. 127–137, 318. (P. K. 24), 1967, PM publication.

¹⁵ In connection with the solution see the critical remarks of Gyula Eörsi (Gyula Eörsi: Legal Aspects of the Shifting to the New System of Economic Control. Közgazdasági és Jogi Könyvkiadó, Budapest, 1968, pp. 208–219).

ZUSAMMENFASSUNG

1. Kapitel 1 befasst sich mit der klassischen Ordnung und Theorie des gesellschaftlichen Eigentums. Der Verfasser untersucht die Verhältnisse, unter denen sich das gesellschaftliche Eigentum entwickelt hat. Er widmet der wirtschaftlich-gesellschaftlichen Motiviertheit der Verstaatlichungen eine besondere Aufmerksamkeit, wobei er feststellt, dass in gewissen Fällen — als auf dem gegebenen Gebiet die Sozialisierung der Produktion noch sehr niedrig war — die Probleme auch durch Verstaatlichung nicht gelöst werden konnten, und die übereilten Verstaatlichungen die Schwierigkeiten sogar steigerten. Die wirtschaftlichen Automatismen spielten früher eine geringe Rolle. Zum Abschluss wird jene grundsätzliche Frage aufgeworfen, ob das Staatseigentum der Produktionsmittel unbedingt notwendig ist, damit die gesellschaftliche Produktion im Interesse des Volkes geschieht.

2. Kapitel 2 behandelt die jugoslawische Konzeption des gesellschaftlichen Eigentums. Dieses Kapitel enthält das Wesen der jugoslawischen Theorie über das Eigentumsrecht und zeigt dann das Verhältnis zwischen den Staats- und Wirtschaftsorganen in Jugoslawien.

3. Nach Erörterung der klassischen eigentumsrechtlichen Regelung und Eigentumsauffassung, sowie der jugoslawischen Theorien wird erwähnt, was für Änderungen im klassischen Modell, das im Kapitel 1 dargestellt wurde, eingetreten sind. Es änderte sich das Verhältnis zwischen dem Staat und seinen Unternehmen. Die Selbständigkeit der Unternehmen wurde breit ausgebaut. Der Kreis der Objekte des genossenschaftlichen sozialistischen Eigentums wurde und wird ständig weiter ausgedehnt. Das genossenschaftliche Eigentum ist — falls seine Gleichberechtigung mit dem Staatseigentum gesichert wird — dazu geeignet, dass es als ein materielles Verhältnis und eine Rechtsform im Aufbau des Sozialismus eine wichtige Rolle spielt.

4. Es erscheinen neue Träger des gesellschaftlichen Eigentums. Es entsteht das gemischte gesellschaftliche (Zwischensektoren)-Eigentum. Die Regeln der dynamischen Seite des Eigentums, der Wirtschaftung, müssen aber — zumindest nach den ungarischen Erfahrungen — weiterentwickelt werden, weil die Regler der Wirtschaftsorganisationen, die weder aufgrund des Staatseigentums, noch aufgrund des genossenschaftlichen Eigentums arbeiten, den Anforderungen der Unternehmen entsprechen, die aufgrund des Zwischensektoreneigentums arbeiten. Ausser dem genannten Zwischensektoreneigentum können noch andere neue Formen des gesellschaftlichen Gruppeneigentums beobachtet werden. Einige von diesen neuen Formen bestanden schon früher, andere sind neu entstanden.

5. Im Kapitel 5 wird die ganze Abhandlung zusammengefasst.

a) Das Staatseigentum und das genossenschaftliche (Gruppen-)Eigentum bilden auch nach den eingetretenen Änderungen das Rückgrat des gesellschaftlichen Eigentums. Das Staatseigentum ist unteilbar und einheitlich, aber der Staat übt Selbst Einschränkung aus, um seinen Unternehmen im Wirtschaftsleben vor allem auf dem Gebiet der Kredite, des Produktenmarktes und der inneren Organisation die Bewegungsfreiheit zu sichern.

b) Es bleiben im Staatseigentum jene Produktionsmittel, die in den hochsozialisierten Produktionseinheiten verwendet werden.

c) Der Staat ist aber nicht bestrebt, Eigentümer sämtlicher grundlegender bzw. der Mehrzahl der Produktionsmittel zu werden.

d) Hinsichtlich seiner Wichtigkeit tritt die zentrale staatliche Geldeinnahme, als Objekt des sozialistischen Staatseigentums in den Vordergrund.

e) Das Staatseigentum hat überwiegend einen Warencharakter.

f) Die Möglichkeit des sozialistischen Staates, als öffentlicher Gewalt, die Wirtschaft zu lenken, wurzelt in seiner politischen Macht. Beide Formen des gesellschaftlichen Eigentums unterstützen diese Macht in gleichem Masse.

g) Das genossenschaftliche sozialistische Eigentum ist eine dem Staatseigentum gleichwertige sozialistische Eigentumsform.

h) Seitdem die Möglichkeit besteht, dass Genossenschaften und Staatsunternehmungen untereinander und mit anderen sozialistischen Organisationen verschiedene Vereinigungen bilden, die im allgemeinen der Förderung der Produktionskonzentration dienen, zeigt sich in der alten Struktur der gesellschaftlichen Eigentumseinrichtung eine gewisse Auflösung. Auf diesem Gebiet ist die Entstehung und die wichtige Rolle des gemischten (Zwischensektoren)-Eigentums von grösster Bedeutung.

i) Das gesellschaftliche Eigentum besitzt neben dem staatlichen und genossenschaftlichen Eigentum solche Formen, vor allem im Kreis des Gruppeneigentums, auf welche die Regeln des genossenschaftlichen sozialistischen Eigentumsrechtes nicht einfach anwendbar sind.

j) Die Rechtswissenschaft sollte sich mit den Eigentumsproblemen der gemeinsamen Unternehmen beschäftigen, die im Laufe der wirtschaftlichen Zusammenarbeit der sozialistischen Nationen (Staaten) entstanden sind.

k) Die Änderungen, die in der Ungarischen Volksrepublik als Ergebnis der neuen Wirtschaftsreform im gesellschaftlichen Eigentum eingetreten sind, können einerseits nicht als Änderungen betrachtet werden, die für jedes andere sozialistische Land eine Lösung bilden, andererseits können diesen Änderungen weiter folgen, in jenem Entwicklungsprozess, wo das gesellschaftliche Eigentum immer mehr vervollkommen wird.

РЕЗЮМЕ

1. Первая глава занимается классическим строем и теорией общественной собственности. Автор рассматривает обстоятельства образования общественной собственности. Обращает особое внимание на хозяйственную общественную обоснованность обобществления, устанавливая, что в некоторых случаях — когда в данной области обобществленность производства была весьма низкой — нельзя было решить проблемы даже обобществлением, поспешное решение увеличило трудности.

Хозяйственные автоматизмы раньше не играли большой роли. Наконец автор поднимает принципиальный вопрос, необходима ли государственная собственность на средства производства, чтобы общественное производство проходило в интересах народа.

2. Вторая глава знакомит с югославянской концепцией общественной собственности. В этой главе содержится сущность югославянского права собственности, затем указывает на то, какая связь имеется между государственными и хозяйственными органами в Югославии.

3. После изложения классического строя права собственности и понятия собственности, а также югославянских теорий следует изложение тех изменений, которые произошли в классических моделях, изображенных в первой главе. Изменилось отношение между государством и его учреждениями. Самостоятельность учреждений начала расширяться. Круг объектов кооперативного социалистического права собственности расширился и все расширяется. Кооперативная собственность — поскольку обеспечено ее равноправие с государственной собственностью — как материальное отношение и правовая форма может играть важную роль в построении социализма.

4. Появляются новые носители общественной собственности. Образуется смешанная (межсекторная) общественная собственность. Однако правила динамичной стороны права собственности, правила хозяйствования — во всяком случае по венгерскому опыту — нужно дальше развивать, ибо относительно организаций, действующих как на основе кооперативной собственности, так и на основе государственной собственности, регуляторы не удовлетворяют требования предприятий, действующих на основе межсекторной собственности. Кроме уже вышеупомянутой межсекторной собственности имеются новые формы общественно-групповой собственности. Одни из этих форм существовали и раньше, другие теперь образуются.

5. Пятая глава суммирует всю научную статью.

a) Государственная собственность и кооперативная собственность составляют суть общественной собственности, и после изменений. Государственная собственность неделима и едина, но государство пользуется самоограничением, чтобы обеспечить для предприятий свободу передвижения в экономической жизни, главным образом относительно кредитов и на рынке произведенных благ, также как и во внутренней организации.

b) В государственной собственности остаются средства производства, использованные в обобщественных на высокой ступени единицах производства.

в) Однако государство не стремится к тому, чтобы быть собственником всех основных средств производства, т. е. большей части средств производства.

г) По значению выступает на передний план центральный государственный денежный доход, как предмет государственного социалистического права собственности.

д) Государственная собственность представляет собой большую часть собственности товарного характера.

e) Возможность социалистического государства как государственной власти управлять хозяйством, дана его политической властью, обе формы общественной собственности одинаково поддерживают эту власть.

ж) Кооперативная социалистическая собственность равноправна государственной собственности и социалистической форме собственности.

з) С тех пор как открылась возможность для кооперативов и государственных учреждений создать как между собой, так и с другими социалистическими организациями различные, способствующие обыкновенно концентрации производства объединения, старая структура собственнического общественного устройства разлагается. В этой сфере самыми значительными являются формирование смешанной (межсекторной) собственности и ее важное значение.

и) Общественная собственность имеет кроме государственной и кооперативной собственности такие формы, главным образом в сфере групповой собственности, к которым нельзя просто применять правила кооперативного социалистического права собственности.

й) Юридическая наука должна заниматься проблемами права собственности общих предприятий, созданных в ходе экономического содружества социалистических народов (государств).

к) В Венгерской Народной Республике перемены в общественной собственности, возникшие вследствие нового экономического механизма, с одной стороны не могут рассматриваться как изменения, обозначающие решение для других социалистических государств, с другой стороны эти изменения могут сменяться дальнейшими изменениями в ходе того развития, при котором общественная собственность все более совершенствуется.